

## OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the proceedings at a meeting of the Overview and Scrutiny Committee held in the Assembly Room, Kendal Town Hall, Kendal, on Friday, 9 July 2021, at 10.30 a.m.

Present

Councillors

Doug Rathbone (Vice-Chairman)

Pat Bell	Hazel Hodgson	Malcolm Lamb
Brian Cooper	John Holmes	Susanne Long
Eamonn Hennessy	Janette Jenkinson	Mark Wilson

Apologies for absence were received from Councillors Vicky Hughes (Chairman), Ali Jama, Robin Ashcroft, Jonathan Brook, Andrew Jarvis and Suzie Pye.

Officers

Adam Moffatt	Legal, Governance and Democracy Specialist
Linda Fisher	Legal, Governance and Democracy Lead Specialist (Monitoring Officer)
Gillian Flowers	Procurement Specialist
Helen Smith	Finance Lead Specialist (Section 151 Officer)
David Sykes	Director of Strategy, Innovation and Resources
Sion Thomas	Operational Lead Delivery and Commercial Services

Also in attendance were Councillors Helen Chaffey (Housing Portfolio Holder), Philip Dixon (Customer and Locality Services Portfolio Holder) and Dyan Jones (Climate Action and Biodiversity Portfolio Holder).

### **O&S/1      MINUTES**

RESOLVED - That the Chairman be authorised to sign, as a correct record, the minutes of the meeting of the Committee held on 23 April 2021.

### **O&S/2      DECLARATIONS OF INTEREST**

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) highlighted that all Members of the Lake Administration Committee which had considered Agenda Item No. 11 (Change in Policy for New Lake Encroachments) would have their interest noted for transparency.

RESOLVED – That the following declarations of interest be noted:

- (1) Cllr Suzanne Long raised a disclosable pecuniary interest for the purpose of transparency, by virtue of the fact that she held a position as South Lakeland District Council's nominated representative on the Board of South Lakes Housing.
- (2) Cllr Janette Jenkinson declared a non-pecuniary interest with regards to Agenda Item No 9 (Revenue and Capital Outturn 2020/21), in the Ulverston Asset Transfer programme which appeared in Appendix 2: Capital Expenditure 2020/21 to the report; and

- (3) Councillors Eamonn Hennessy, John Holmes, Malcom Lamb, Susanne Long, Doug Rathbone and Mark Wilson declared a non-pecuniary interest in relation to Item No. 12 (Change in Policy for New Lake Encroachments) as members of the Lake Administration Committee noting that the Item had been considered and passed by Lake Administration Committee at the recent meeting on 2 July 2021.

**O&S/3 DECLARATION OF THE PARTY WHIP**

RESOLVED - That it be noted that no declarations of the party whip were raised.

**O&S/4 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS**

RESOLVED – That it be noted that there are no excluded items on the Agenda.

**O&S/5 TERMS OF REFERENCE**

RESOLVED - That the Terms of Reference of the Overview and Scrutiny Committee be noted.

**O&S/6 PUBLIC PARTICIPATION**

No questions, representations, deputations or petitions have been received in respect of this meeting.

**O&S/7 WORK PROGRAMME AND FORWARD PLAN**

The Legal, Governance and Democracy Lead Specialist informed Members that the purpose of the item was to look at the Work Programme for the municipal year ahead, to make changes and add new items where appropriate. She also drew attention to the latest Forward Plan published on 22 June 2021 and noted that the covering report for the item had been submitted as a supplemental item and that paper copies had been left on the desk for each Member.

The Legal, Governance and Democracy Lead Specialist informed Members that the Work Programme had been prepared in collaboration with the Chair and aimed to capture everything due to come to the Overview & Scrutiny Committee throughout the year as well as any outstanding workshops that were still due to report back to the Committee. She then noted that the Work Programme can change throughout the year and ultimately will be subject to the resources and budget available to support it.

The Director of Innovation, Strategy and Resources highlighted that in some instances there were items on the Work Programme that had been superseded and noted that the Work Programme would need to be updated to reflect that and proposed the following:-

- Green Team Update – Superseded by the Climate Change Action Plan and Board – Update to be received in March 2022 to coincide with Climate Action and Biodiversity Portfolio Holder Report;
- Strategic Review of Council’s Health and Wellbeing Policy – Workshop predates COVID-19, alongside other key changes and is no longer in cline with the Council Plan – Update to be received in August 2021 to coincide with the Health, Wellbeing and Poverty Alleviation Portfolio Holder Report; and
- Brexit Update Workshop – Update to be received as part of Performance Monitoring Reports and the Economic Strategy Report.

Members discussed the proposals put forward by the Director of Strategy, Innovation and Resources and noted they were minded to agree provided that matters were adopted as specific agenda item and questions are submitted through the Chair / Vice-chair for the Portfolio Holder to consider and prepare for prior to the meeting. Members highlighted the struggling economy and the impact of Brexit on the fishing industry, particularly around Morecambe Bay, and that it would be good to look at this as soon as possible. Members also noted that more updates would be welcomed.

Further discussion highlighted the absence of an update on Local Government Reorganisation (LGR) from the August work programme. Members suggested spending a day or half day meeting to discuss LGR and the potential outcomes, looking at things such as Parish Councils, other authorities with similar arrangements and the role of Scrutiny.

Members also highlighted the re-occurring Cumbria Health Scrutiny Committee update item and whether the approach should be refreshed and groups / individuals invited to come and speak to the committee, for example Hospital Trusts.

RESOLVED – That:-

- (1) the Overview and Scrutiny Committee's Work Programme for 2021/22 be agreed; and
- (2) the Forward Plan published on 22 June 2021 be noted.

## **O&S/8**

### **REVENUE AND CAPITAL OUTTURN 2020/21**

The Finance Lead Specialist (Section 151 Officer) presented the Revenue and Capital Outturn 2020/21 report which set out the Council's financial performance for 2020/21 and the impact on reserves. She highlighted the huge impact of the ongoing Covid-19 pandemic and the hard work of the finance team in applying for and administering grants to local businesses. The Finance Lead Specialist (Section 151 Officer) highlighted the Finance Team for their work during a challenging period and added that despite the complex situation, the Council was in a better position than had been expected earlier in the year.

Attention was drawn to the significant impact of Covid-19 on the Council's finances with £134 million of additional support from the Government to the Council and South Lakeland area. The Finance Lead Specialist (Section 151 Officer) reminded Members of the additional budget of £2 million which had been funded by use of the General Reserve and approved by Cabinet and Council in June 2020 and explained that the expected net cost of Covid-19 to the Council had been reduced to £1.3 million in February 2021. She informed Members that mainly due to additional grants and contributions received, the estimated cost was now £259,000.

Members sought clarification on the deficit and whether it included grants that had been available through the government. The Finance Lead Specialist (Section 151 Officer) noted that various pots of money had come through the Council's accounts, some of which were untouchable, some to be paid out as per government instruction and others where the Council was granted flexibility on who to pay and how much. She noted that grants had either been paid, or where they had not been the Council was expecting or waiting to repay them.

Members sought information on how much money had been given out by the government. The Finance Lead Specialist (Section 151 Officer) noted that this figure would be included in the statement of accounts rather than the outturn report, but confirmed that £114 million had been paid out. She also undertook to circulate a summary of the figures to Members.

Members brought attention to page 28 section 3.9 on leisure services and noted that there had been a long wait to receive funding. They asked whether the extra money was enough for leisure services to deal with recent impacts and for them to continue delivering services across the district. Members further asked whether any additional money coming through could be used to support communities with social separation and safe spaces.

The Finance Lead Specialist (Section 151 Officer) informed Members that in regard to the leisure centre and GLL money had been paid through grants and no other requests for funding had been received. She also noted that local authorities were sending letters to MHCLG to raise this issues for consideration as part of the spending review, highlighting leisure services as big part of the levelling up agenda. She finished by informing Members that as part of the Medium Term Financial Plan money had been secured through the 'Welcome Back Fund' to fund a safe return to the high streets.

Members raised concerns in regard to the Capital Programme, querying the Council's commitment to projects like the leisure centres and Grange Lido. The Finance Lead Specialist (Section 151 Officer) informed Members that whilst she was unable to provide an answer, care was taken to ensure that the projects remained in the Capital Programme.

The Director of Strategy, Innovation and Resources also added that it was difficult to provide a definitive answer as the Council awaited an announcement on Local Government Reorganisation (LGR), and commitments going forward may be dependent on this announcement.

Members highlighted the projects for Grange Lido and Ulverston Leisure Centre and queried whether progress could be made on the projects prior to any LGR announcement. The Director of Strategy, Innovation and Resources responded noting that progress was being made where possible and needed.

RESOLVED – That

- (1) the outturn figures and variance explanations be noted; and
- (2) the comments made by the Overview and Scrutiny Committee be taken forward as appropriate for consideration by Council.

## **O&S/9**

### **2020/21 ANNUAL TREASURY MANAGEMENT REPORT**

The 2020/21 Annual Treasury Management Report was presented by the Finance Lead Specialist (Section 151 Officer). The report reviewed the treasury activities and the actual prudential and treasury indicators for the 2020/21 financial year, meeting the requirement of the Local Government Act 2003, the CIPFA Code of Practice on Treasury Management and the CIPFA Code for Capital Finance in Local Authorities.

The level of external debt remained at £12.8 million, which was below the Capital Financing Requirement of £21.1 million, further repayment of debt was not recommended given that the current repayment premium would be high. Attention was drawn to the fact that the Council had not funded revenue activity through borrowing, which was a prudent strategy. The borrowing strategy was constantly under review so as to avoid incurring higher borrowing costs in the future.

In response to a query from Members, the Finance Lead Specialist (Section 151 Officer) explained that the usage of assets was reviewed annually.

Members queried whether the Council could sweat more of its assets. They noted that Lambert Smith Hampton work with the Council on these matters and further queried whether this could be seen by the Committee in more detail.

The Finance Lead Specialist (Section 151 Officer) responded by noting one issue with that approach is that councils incur debts to generate income which can lead to fairly large financial 'black holes' due to overly commercial activity. At the start of the year service spending, housing, regenerative action and debt for yield can all limit what is possible.

Following a question linked to the investments of the Council, the Finance Lead Specialist (Section 151 Officer) informed Members that the investment picture represented the authorities position at the end of the financial year and explained the impact of the COVID-19 grants on investment.

RESOLVED – That Council be recommended to approve the 2020/21 Annual Treasury Management Report.

## **O&S/10**

### **PROCUREMENT STRATEGY**

The Specialist (Procurement) reported that the Council's previous procurement strategy was a combined Sustainable Commissioning and Procurement Strategy which has since been separated into two separate documents with the Commissioning Strategy being approved by Council in 2020 and the Procurement Strategy as a companion piece.

The main update to the Strategy was to reflect the Council Plan priorities, with sustainability remaining at the heart of it. Procurement has gone through big changes, particularly as it is no longer bound by EU regulations. However, new regulations mirror those of the EU.

She continued by drawing Members attention to the Procurement Policy statement, of which the main targets are social value, ensuring contractor promises are fulfilled and achieving best value for money.

The Specialist (Procurement) responded stating that whilst legislation was introduced back in 2012, uptake across departments has been varied. The strategy update refocuses the need to look at social value. She finished by acknowledging that further work needed to be done to identify best social value practice.

As part of the discussion Members queried whether social value would be considered as part of the overall value for money, or if it would sit separately. The Specialist (Procurement) confirmed that they were looking at having three main questions; price, quality and social value and that the Council had signed up to the social value portal which would assist in evaluating social value.

Discussion also raised the question as to whether the Council had considered contracting out procurement. The Specialist (Procurement) confirmed that there were currently no plans to contract out and there was a focus on ensuring that in house staff are making appropriate choices and decisions.

In response to queries relating to electric charging points and the social value of using electric fleet vehicles, the Director of Strategy, Innovation and Resources clarified that the Procurement Strategy had to respond to the overall policy strategy of the Council, as well as the Commissioning Strategy.

Members highlighted a need to objectively look at how value could be placed on social value and suggested it should be looked at and answered at Cabinet.

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) summarised that comments to be put forward to Cabinet – that the Procurement Strategy was supported and Members were pleased to see that social value was being supported. She also summarised the following questions to be put forward for consideration at Cabinet; What does success look like for Social Value?; and How will this be measured and how can we know if we have done well in assessing the social value in procurement?

RESOLVED – That:-

- (1) Cabinet and Council be recommended to approve Procurement Strategy;
- (2) The following questions be put to Cabinet for a response;
  - a) What does success look like with Social Value?;
  - b) How will Social Value be measured; and
  - c) How will we know this has succeeded?
- (3) A report be brought back to Overview and Scrutiny Committee after one year, to consider the progress made.

## **O&S/11**

### **CHANGE IN POLICY FOR NEW LAKE ENCROACHMENTS**

The Operational Lead for Delivery and Commercial Services reported that the Council had been looking at changing the policy for approval of lake encroachments.

He informed Members that currently when new applications were received, a report was drafted by the Delivery Commercial Manager for consideration by the Lake Administration Committee. In some cases new applications are brought to Committee despite the applicant owing significant sums of money to the Council and/or breaching the conditions of existing encroachments.

He confirmed that the new proposed procedure would delegate authority to the Director of Customer and Commercial Services, as well as the Legal, Governance and Democracy Lead Specialist (Monitoring Officer) and the Finance Lead Specialist (Section 151 Officer) to review the applications for any outstanding debt or historical breaches before they are brought to the Lake Administration Committee.

He finished by noting that the report had been considered by the Lake Administration Committee on the 2nd July 2021 and that it had been approved.

The Customer and Locality Services Portfolio Holder informed Members that he fully supported the report and recognised that there were a number of ongoing problems with encroachments.

Members positively responded to the report and noted that it would be a sensible and proportionate response to encroachment debts.

Members echoed concern which had been expressed at the 'like for like' description in the policy which it had been felt required clarification and amendment. It was also felt that the impact of any renewed encroachments should be known by all parties prior to any report being made.

RESOLVED – That Council be recommended to approve the policy for new lake encroachments, subject to clarification of the 'like for like' description.

## **O&S/12**

### **CUMBRIA HEALTH SCRUTINY COMMITTEE UPDATE**

Cllr Wilson provided a verbal update on the work of the Cumbria Health Scrutiny Committee. He informed Members that he sat on the committee as a member of Cumbria County Council.

The Cumbria Health Scrutiny Committee had received reports from all the hospital trusts. The reports highlighted an increased bed capacity across the district to help with planned surgeries. Nationally the situation is poor, but locally it is not too bad. He also acknowledged that COVID-19 has had an impact on mental health.

He informed Members that a consultation regarding potential rebuild of the Royal Lancaster Infirmary and Royal Preston Hospital would be going ahead.

Cllr Wilson referred to a presentation given by Cumbria and Lancaster Health Watch to the Cumbria Health Scrutiny Committee which highlighted strong relationships with the County's mental health trusts and future work to be undertaken based on the feedback from mental health service users.

Following the update Members felt it would be beneficial for the Chief Executive of Health Watch Cumbria and Lancashire to be invited to address the Overview and Scrutiny Committee to give a more in detail picture of the work they do.

RESOLVED – That the verbal update be noted.

The meeting ended at 12.07 p.m.